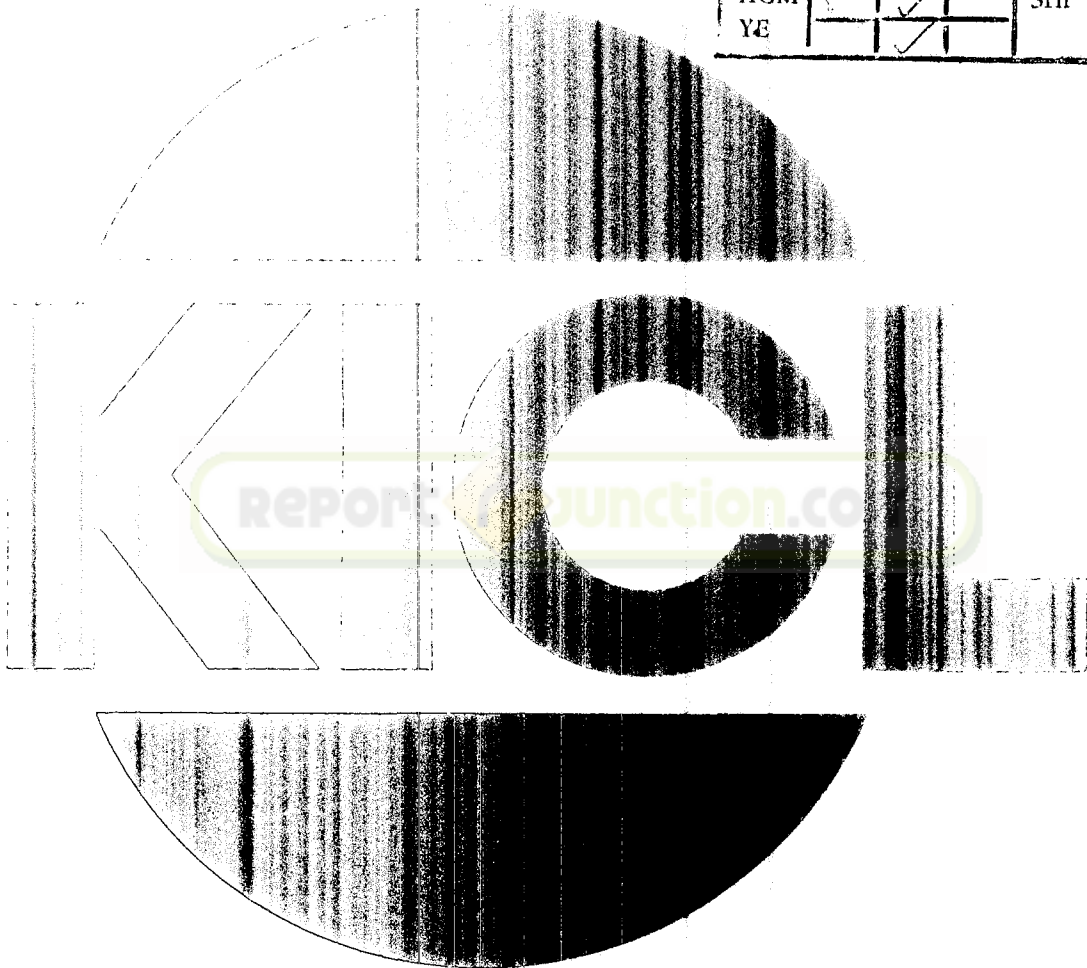


28th ANNUAL REPORT 1996-97

MD			BKC	<input checked="" type="checkbox"/>
CS			DPY	<input checked="" type="checkbox"/>
RO			DIV	<input checked="" type="checkbox"/>
TRA			AC	<input type="checkbox"/>
AGM		<input checked="" type="checkbox"/>	SHI	<input type="checkbox"/>
YE		<input checked="" type="checkbox"/>		<input type="checkbox"/>



KOTHARI INDUSTRIAL CORPORATION LIMITED





KOTHARI INDUSTRIAL CORPORATION LIMITED

Regd. Office : "Kothari Buildings" 114, Mahatma Gandhi Salai, Chennai 600 034

NOTICE TO MEMBERS

NOTICE is hereby given that the 28th Annual General Meeting of the Company will be held as scheduled below :

Day & Date : Monday, 29th December, 1997
Time : 10.15 a.m.
Place : RANI SEETHAI HALL
603, Anna Salai
CHENNAI 600 006

The agenda for the meeting will be as follows:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the period ended 30th June, 1997 and the Balance Sheet as at that date and the Report of the Directors and Auditors thereon;
2. To declare dividend;
3. To appoint a Director in the place of Mr H.S. Majumder who retires by rotation and being eligible, offers himself for reappointment;
4. To appoint a Director in the place of Mr P.G.Daffary who retires by rotation and being eligible, offers himself for reappointment;
5. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs M.K.Dandekar & Co., and Messrs B.B.Naidu & Co., retiring auditors be and are hereby reappointed as Joint Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting on a remuneration of Rs.90,000/- each, in addition to all travelling and other out-of-pocket expenses".

SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr N. Srinivasan be and is hereby appointed as Director liable to retire by rotation".

7. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr.D.B.Saxena be and is hereby appointed as Director liable to retire by rotation".

8. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED to note, record, approve and ratify the sale of Kothari Textiles Unit: Mill No.1, Singanallur, Coimbatore, as a going concern together with all its assets, rights, benefits and other movable or immovable properties comprised in the said mills and all the liabilities, duties and obligations to Kothari Orient Industries (Exports) Limited (KOIEL), the then Wholly Owned Subsidiary of the Company now known as PLR Industries Limited for a net consideration of Rs.100 lacs (Rupees one hundred lacs only) pursuant to the agreement executed between the Company and its then subsidiary subject to the approval of the financial institutions which was accorded on 30.1.1997 and FURTHER RESOLVED to approve and ratify all the documents, deeds, matters and things executed by the Board of Directors of the Company to effectuate the disposal of the said mill".

9. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED to note, record, approve and ratify the sale of one of the Coffee Estates in the Plantation Division viz., Santawerry Estate-East and West at Chickmagalur District, Karnataka, as a going concern together with all its assets, rights, benefits and other movable and immovable properties comprised in the said estates and all the liabilities, duties and obligations for a lumpsum consideration of Rs.27 crores (Rupees twenty seven crores only) and FURTHER RESOLVED to approve and ratify all the documents, deeds, matters and things executed by the Board of Directors of the Company to effectuate the disposal of the said Coffee Estates".

Kothari Industrial Corporation Limited

10. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution :

"RESOLVED that subject to the approval of the financial institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorised to transfer or otherwise dispose of the Company's Adoni Mill known as Adoni Spinning & Weaving Company at Andhra Pradesh as a going concern together with all its assets, rights, benefits and other movable or immovable properties comprised in the said mills, and all the liabilities, duties and obligations to KICL Textiles Limited, a wholly owned subsidiary of the Company for a net consideration of not less than Rs.67 lacs (Rupees sixty seven lacs only).

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to do, perform, sign, seal and execute all such further acts, documents, deeds, matters and things (including the agreement for transfer of the industrial undertaking) as may be necessary, usual, proper or desirable for effectuating the transfer and eventual disposal of the said undertaking and for giving effect to this resolution".

11. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956:

- (A) to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of Waterfall Estate-West, Anamallais, Pollachi Taluk, present and future, and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of the Agent, Trustees for the Debentureholder to secure the issue of 10,00,000 21% Secured Redeemable Non Convertible Debentures of Rs.100/- each aggregating to Rs.10,00,00,000 by way of private placement together with interest at the

respective agreed rates, additional interest, liquidated damages, commitment charge, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to Tata Finance Limited, Mumbai in terms of the Debenture Trust Deed / Hypothecation Agreements / Letters of Sanction / Memorandum of Terms and Conditions, entered into/to be entered into by the Company, in respect of the said debentures.

- (B) to the Board of Directors of the Company agreeing with the Trustees for the Debentureholder in terms of the Debenture Trust Deed / Hypothecation Agreements / Letters of Sanction / Memorandum of Terms and Conditions to reserve a right to take over the aforesaid asset in certain events.

"RESOLVED FURTHER to approve and ratify the documents, deeds, matters and things executed by the Board of Directors of the Company to avail the aforesaid financial assistance"

12. To consider and if thought fit to pass the following resolution with or without modification as a Special Resolution:

"RESOLVED that pursuant to Sec. 163 and other applicable provisions, if any, of the Companies Act, 1956, the place of keeping the Register and Index of Members, Register and Index of Debentureholders and copies of all Annual Returns prepared under Sec. 159 and 160 and documents annexed thereto be shifted from Prestige Point, 16, Haddows Road, Chennai 600 006 to the Registered Office of the Company at 'KOTHARI BUILDINGS', 114, Mahatma Gandhi Salai, Nungambakkam, Chennai 600 034 and that all the registers and other documents to be kept and maintained under the Act be maintained with immediate effect at the registered office of the Company".

13. To consider and if thought fit to pass the following resolution with or without modification as a Special Resolution:

"RESOLVED that the Articles of Association of the Company be and are hereby altered in the following manner :



- (i) The existing Article 21 be deleted and in its place, the following be inserted as Article 21:

Article 21:

Any person (whether the registered holder of the shares or not) being in possession of any share certificate or share certificates for the time being may surrender the share certificate to the Company and apply for the issue of two or more fresh share certificates comprising the same shares bearing the same distinctive numbers, comprised in the said certificates and in such separate lots as he may desire in lieu of such share certificate so surrendered or for the consolidation of the shares comprised in such surrendered certificates into one certificate and the Directors may at their discretion in lieu of and in cancellation of certificates so surrendered issue one or more such share certificates as the case may be in the name of the person or persons in whose name the original certificates stood and the new certificates so issued shall be delivered to the person who surrendered the original certificate or to his order. For this purpose, the Board shall not accept applications for sub-division or consolidation of the share certificates into denominations of less than the market unit of trading as may be determined from time to time by the Stock Exchanges except when such a sub-division or consolidation is required to be made to comply with statutory order or an order by a competent court of law, or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

- (ii) The following be inserted as Article 37(g) after the existing Article 37(f) :

Article 37(g):

Notwithstanding the provisions of Article 37(b) hereof, the Board may not accept any application for registration of transfer of less than 50 shares except in the case of :

- (a) a transfer of shares made to comply with any law or statutory order or regulation or an order or a decree of a competent court or listing requirements of a Stock Exchange on which the Company's shares are or may be listed.

- (b) a single transfer by a member holding less than 50 shares to one or more transferees where after such transfer the shareholding of the said transferee or transferees, as the case may be, will not be less than 50 shares or multiples of 50 shares.

- (c) a transfer of not less than 50 shares in the aggregate in favour of the same transferee by several transferors by two or more instruments of transfer submitted together to the Company. Provided nevertheless, that the Board at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause (on each of which the decision of the Board shall be final and conclusive) accept any application for registration of transfer of less than 50 shares.

- (iii) RESOLVED that subject to the approval of the Central Government, the existing Articles 132(a), 132(b), 132(c) and 132(d) in the Articles of Association of the Company be and are hereby deleted and the existing Article 132(A) as mentioned hereunder be renumbered as Article 132:

132 (A) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UII), or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or a State Government by themselves (Each of the above is hereinafter in this Article referred to as "the

Kothari Industrial Corporation Limited

Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation hold or continues to holds Debentures/ Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right in terms of the agreement that may be entered into between the company and the Corporation in this behalf to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole time, (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid

off on the Corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meeting of the Committee of which the Nominee Director/s is/are member/s as also to receive the minutes of such meetings.

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, money and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to, a whole time Director in the management of the affairs of the company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the corporation.



14. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 370 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to give any guarantee, or provide any security, in connection with the loans made by any other person to, or to any other person by,

any body corporate for an aggregate amount not exceeding Rs.15 crores.

15. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED that approval be accorded to the Company for the appointment of Mr. D.B.Saxena, Non-Wholetime Director, as Legal Advisor of the Company on a monthly retainership fee of Rs.25,000/- per month with effect from 1.10.1997 for a period of two years".

(By Order of the Board)

for Kothari Industrial Corporation Limited

A.Rubandhas
Company Secretary

Chennai 600 034
November 21, 1997

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE LODGED WITH THE COMPANY AT ANY TIME NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING. A FORM OF PROXY IS ENCLOSED.

The Register of Members and the Transfer Books of the Company were closed from Thursday, the 16th October, 1997 to Friday, the 24th October, 1997 (both days inclusive).

The Note in respect of Item No.5 and the relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos.6 to 14 are annexed to the Notice.

Note:

1. The Dividend, if declared at the Annual General Meeting, will be paid to those members whose name appear in the Register of Members as on 24th October, 1997.

2. Unclaimed Dividend:

Shareholders are hereby informed that all unpaid/unclaimed dividends for the years upto 1994 have been transferred to the Central Government as per the provisions of Sec.205-A (5) of the Companies Act, 1956. Those shareholders who have not encashed the dividend are requested to claim the amount from the Registrar of Companies, Shastri Bhavan, Haddows Road, Chennai 600 006 and they may contact the Company for any assistance in this connection.

3. Members are requested to notify the change of address, if any immediately to the Company.
4. Members with identical order of names who are holding shares in multiple folios are requested to write to the Company enclosing their Share

Certificates to enable the Company to consolidate their holdings into one folio.

5. Members/Proxies should bring Attendance Slip (duly completed) for attending the meeting as well as copy of the Annual Report.

Statement in respect of Item No.5:

Section 224A provides that in the case of a Company in which not less than 25% of the subscribed share capital is held by Public Financial Institutions or Nationalised Banks or other financial institutions referred to therein, appointment or reappointment of Auditors at each Annual General Meeting shall be made by a Special Resolution.

The total Share Capital held by Public Financial Institutions, Nationalised Banks and Insurance Companies is over 25% of the subscribed share capital of the Company. It is therefore necessary that the appointments of M/s M.K. Dandekar & Co. and M/s B.B. Naidu & Co. as Joint Auditors shall be made by a Special Resolution.

The Board of Directors recommend the resolution for approval of the Shareholders.

Kothari Industrial Corporation Limited

Explanatory Statement pursuant to Sec.173 of the Companies Act, 1956:

Item No.6:

Mr N. Srinivasan, B.Com., F.C.A., erstwhile Senior Partner of M/s Fraser & Ross, Chartered Accountants, Chennai was appointed as a Director on 29.12.1995 in the place of Dr B. Gopala Reddy. Mr Srinivasan vacates his office at the conclusion of this Annual General Meeting. The Company has received Notice under Section 257 of the Companies Act, 1956 proposing Mr N. Srinivasan as Director liable to retire by rotation. Mr Srinivasan's knowledge on finance, taxation and corporate planning would be helpful to the company in its various activities.

None of the Directors except Mr N. Srinivasan is concerned / interested in the Resolution.

Item No.7:

Mr D.B. Saxena, after a long tenure of over four decades of valuable service in the Company, relinquished his position as Wholtime Director of the Company on 31.8.1997. The Board of Directors at their meeting held on 22.9.97 appointed Mr D.B.Saxena as Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956. He will hold office until the ensuing Annual General Meeting of the Company. The Company has received Notice under Section 257 of the Companies Act, 1956 from a member proposing Mr.D.B.Saxena as Director liable to retire by rotation. The vast knowledge and experience of Mr.D.B.Saxena would be helpful to the Company in its various activities.

None of the Directors except Mr D.B. Saxena is concerned / interested in the Resolution.

Item No.8:

The performance of the Company's Kothari Textiles Unit: Mill No.1, Singanallur, Coimbatore has not been satisfactory and further the mill required huge additional investment for modernisation in order to improve its performance. The Board of Directors considered various options in this regard and after due deliberation, decided to dispose of the mill as a going concern with all its assets and liabilities as of 6.12.1996 for a net consideration of Rs.100 lacs. The mill was initially transferred as a going concern to the Company's wholly owned subsidiary, Kothari Orient Industries (Exports) Limited (KOIEL) which was taken over by a Coimbatore based Industrial Group

which renamed KOIEL as PLR Industries Limited. The approval of the financial institutions was received for the transaction. After receipt of such approvals, the Company executed Conveyance Deed necessary for effectuating the transfer of the mill. The transfer is in the Company's interest and the shareholders.

Your Directors commend this proposal for approval of the shareholders.

The following documents are available for inspection in this regard:

1. Agreement for transfer of undertaking dt.5.12.1996 between KICL and the subsidiary.
2. Letter No.LM/6023 dt.30.1.97 from The Industrial Credit and Investment Corporation of India Limited (ICICI).
3. Transfer Deed dt.3.2.1997, transferring immovable properties viz., land and buildings of Mill No.1.
4. Letter No.FM/6920 dt.24.3.1997 of The Industrial Credit and Investment Corporation of India Limited (ICICI), giving approval for disposal of the Mill and transfer of term loan liabilities.
5. Letter No.LM/1573 dt.24.6.1997 from The Industrial Credit and Investment Corporation of India Limited (ICICI) giving approval as Trustees to partly convertible debentureholders.
6. Letter No.SZO:F:KICL:595:97 dt 2.7.97 from Industrial Investment Bank of India Ltd., (IIBI), Chennai 600 002.
7. Letter No.4840/PFD(415) dt.12.8.1997. from Industrial Development Bank of India (IDBI), Chennai 600 015.
8. Letter No.UTI/D01M/K-36/1039/97-98 dt.20.9.97 from Unit Trust of India, Mumbai.
9. Letter No.INV:C:PSR dt.25.10.97 from Life Insurance Corporation of India, Mumbai.
10. Letter No.Inv/O/Leg/97 dt.5.11.97 from General Insurance Corporation of India.

None of the Directors is concerned / interested in the Resolution.

Item No.9:

As part of the financial reconstruction plans, besides disposing of continuously loss making two textile mills, the Company had to inject large amount of interest-free funds, to turn around the Company and bring it to the dividend paying list as soon as possible.



Accordingly, the Company identified one of its Coffee Estates viz., Santawerry Estate-East and West of the Plantation Division, which would fetch the required amount, for disposal.

The Board of Directors at their meeting held on 18th January, 1997 after due deliberations decided to sell Santawerry Estate-East and West, Chickmagalur Dist., Karnataka State as a going concern with all its assets and liabilities as on 31.3.1997 for a net consideration of not less than Rs.25 crores. Accordingly an Agreement for sale was executed on 20.1.97 for disposal of the estates for a consideration of Rs.27 crores subject to the approval of the financial institutions. The financial institutions have accorded approval for the sale of Santawerry Estate-East and West and the Company executed Conveyance Deed necessary for effectuating the transfer of the aforesaid Coffee Estate. The transfer is in the interest of the Company and the shareholders.

Your Directors commend this proposal for approval of the shareholders.

The following documents are available for inspection:

1. Agreement to transfer dt.20.1.1997
2. Letter No.FM/6925 dt.24.3.1997 from The Industrial Credit and Investment Corporation of India Limited (ICICI), Chennai 600 018.
3. Letter No.LM/1575 dt.24.6.1997 from ICICI giving approval as Trustees to partly convertible debentureholders.
4. Letter No.Inv/O/Leg/97 dt.5.11.97 from General Insurance Corporation of India.
5. Letter No.4840/PFD(415) dt.12.8.1997 from the Industrial Development Bank of India (IDBI), Chennai 600 015.
6. Letter No.UTI/D01M/K-36/1039/97-98 dt.20.9.97 from Unit Trust of India, Mumbai.
7. Letter No.INV:C:PSR dt.25.10.97 from Life Insurance Corporation of India, Mumbai.

None of the Directors is interested / concerned in the Resolution.

Item No.10:

The Company's Adoni Mills was established in 1955 in the Rayalaseema Region of Andhra Pradesh. The said mill had been unviable due to various reasons and is incurring cash losses for the past three years.

The Board of Directors recommend that the mill can be disposed of for a net consideration of not less than Rs.67 lacs. The mill is initially transferred as a going concern with all its assets and liabilities to KICL Textiles Limited, a wholly owned subsidiary of the Company with whom the Company has entered into an agreement and the Company's shareholding in KICL Textiles Limited will eventually be disposed to the outside promoter who has evinced keen interest in reviving the mill. Necessary resolution is placed before the shareholders for consideration and approval.

The following document is available for inspection in this regard:

Agreement for transfer of the undertaking dt. 13.8.1997.

None of the Directors is concerned / interested in the Resolution.

Item No.11:

The Company had issued 10,00,000 21% Secured Redeemable Non Convertible Debentures of Rs.100/- each aggregating to Rs.10,00,00,000 and out of that, allotted 5,00,000 debentures on 27.3.97 to M/s.Tata Finance Limited, Mumbai and utilised the proceeds for payment of overdues to institutions and banks, statutory dues etc. ICICI is the trustee for these debentures. The Company has created legal mortgage on its office flat at Kolhapur and equitable mortgage on moveable and immoveable properties of Waterfall Estate (West), Anamallais as security for the said debentures. ICICI, IDBI and IBI have accorded necessary approval for the aforesaid debenture assistance.

Approval of the shareholders is sought pursuant to the provisions of Sec.293(1)(a) of the Companies Act, 1956 for the said proposal and for empowering the Board of Directors to create necessary security in favour of ICICI, Trustees for the Debentureholders viz., M/s.Tata Finance Limited, Mumbai. The Board of Directors recommend approval by the shareholders of the said proposal.

None of the Directors is concerned / interested in the Resolution.

Item No.12:

The Shareholders at the 24th Annual General Meeting of the Company held on 2.9.93 had given approval for keeping statutory records as required under Sec.163 of the Companies Act, 1956 viz., Register of

Kothari Industrial Corporation Limited

Members, Register of Debentureholders, Annual Returns etc. at Prestige Point, 16, Haddows Road, Nungambakkam, Chennai 600 006. It is now proposed to keep all the aforesaid records at the registered office of the Company at KOTHARI BUILDINGS, 114, Mahatma Gandhi Salai, Nungambakkam, Chennai 600 034. This proposal requires approval of the Shareholders as per Sec. 163 of the Companies Act, 1956. Accordingly, a special resolution is listed under Item No. 12 for approval of the Shareholders.

None of the Directors is concerned / interested in the Resolution.

Item No. 13:

- (i) Presently, Article 21 of the Articles of Association of the Company provides for splitting and consolidation of shares into such lots as may be desired by the persons surrendering share certificate/certificates. In view of the administrative and other costs related therewith, share certificate/certificates shall henceforth be consolidated or sub-divided and issued in market lots as may be decided from time to time by the Stock Exchanges concerned.
- (ii) The Company's present Articles of Association do not prohibit the transfer of even a single share to a person, who may not be an existing member of the Company. Such transfers involving very small number of shares cause creation of new folios and thereby put unjustified costs on the Company in servicing such small folios. The resolution as proposed would empower the Company to refuse such transfers except in deserving cases as detailed out in the text of the resolution.

(iii) Nominee Director:

It is proposed to amend Article 132 of the Company's Articles of Association by deleting clauses (a), (b), (c) (d), retaining clause 132A and renumbering the same as Article 132 as the clauses sought for deletion are of repetitive nature. The proposed amendment is subject to the approval of the Central Government.

The following document is available for inspection in this regard:

Memorandum and Articles of Association of the Company.

Mr V. Thirupathi and Mr R. Rangarajan, Nominee Directors of ICICI and GIC respectively are deemed to be interested in the resolution relating to deletion of Articles 132 (a), 132(b), 132(c), 132(d) and renumbering of Article 132(A) as Article 132.

None of the other Directors is concerned / interested in the resolution.

Item No. 14:

The shareholders at the Extraordinary General Meeting held on 18.9.1975 passed necessary resolution empowering the Company to guarantee or provide security for a sum not exceeding Rs. 1 crore (Rupees one crore only). The Company is required to provide guarantee/security in respect of its normal business transactions relating to the projects, subsidiaries and other associate companies. It is now proposed to increase the guarantee limit to Rs. 15 crores (Rupees fifteen crores only).

The Board of Directors recommend the said proposal for approval of the shareholders.

The following document is available for inspection in this regard.

Resolution dt. 18.9.1975 passed by the Shareholders at the Extraordinary General Meeting.

None of the Directors is concerned / interested in the Resolution.

Item No. 15:

Mr. D.B. Saxena relinquished his office as wholtime Director of the Company with effect from 1.9.97 after serving the Company in various capacities including as Director & Secretary and wholtime Director for over four decades. It is in the interest of the Company to have the advise and guidance of Mr. Saxena, having been connected with the company matters for several years. Hence, it is proposed to appoint Mr. D.B. Saxena, practising lawyer as the Legal Advisor of the Company on a monthly retainership fee of Rs.25,000/- per month with effect from 1.10.97 for a period of two years. Although the appointment of Mr. D.B. Saxena as Legal Advisor does not amount to an office of profit, as a matter of abundant caution, approval of the shareholders is being sought.

None of the Directors except Mr. D. B. Saxena is concerned/interested in the Resolution.